

EXHIBIT 1

**Plaintiffs' More Definite Statement as to
Defendant Muwafaq Foundation**

1. Plaintiffs hereby incorporate all allegations and counts contained in the Third Amended Complaint in Burnett, et al. v. Al Baraka Investment and Development Corp., et al., 03 MD 1570 (RCC), 03 CV 5738 & 03 CV 9849.
2. The US Treasury Department has described the Muwafaq Foundation as follows:
“Muwafaq is an Al-Qaeda front that receives funding from wealthy Saudi Businessmen...Saudi businessmen have been transferring millions of dollars to Bin Laden through Blessed Relief”.
3. The Saudi-based Muwafaq Foundation was headed by Yassin Abdullah al-Qadi, who was also officially named as a Specially Designated Global Terrorist (SDGT) by the United States Treasury Department and had his assets frozen on October 12, 2002. Muwafaq was a well-funded and influential NGO providing aid to the Arab *mujahideen*. The foundation opened a regional bureau in Bosnia in the early 1990s affiliated with the “Croatian Islamic Center.” When the old director was fired from the regional Bosnia office, Qadi and the other leaders of Muwafaq needed to fill the vacancy. Defendant and SDGT Wa’el Hamza Jalaidan, Osama bin Laden’s former jihad partner in Afghanistan, nominated Chafiq bin Muhammad Ayyadi, a veteran Tunisian Arab-Afghan guerilla, for the post.
4. Jalaidan had first met Ayyadi in Pakistan, shortly after Ayyadi was treated in Saudi Arabia for combat wounds suffered in Afghanistan. Upon his return to the region, Ayyadi began working for Defendant the Muslim World League under the direct tutelage of Jalaidan. In 1993, Ayyadi suddenly asked his boss to help him find a new job in the European offices of any amenable Islamic charitable group. Jalaidan, aware of the vacancy at the Muwafaq office, asked al-Qadi (a close family friend) to hire Ayyadi.
5. At the end of the war in Bosnia in 1995, several of the foreign relief agencies closed their local offices, including Muwafaq. Al-Qadi then helped arrange a substitute banking job for Ayyadi at Depozitna Banka. Bosnian sources say Ayyadi used his position at Depozitna Banka as a cover to facilitate assorted “dubious” financial transactions involving accounts controlled by Muwafaq, “Euroinvest” (an investment corporation co-owned by Wael Jalaidan and Yasin al-Qadi), and other unidentified companies in Saudi Arabia. In July 1996, al-Qadi even registered his shares of various companies in the local Depozitna Banka in several names, including that of Chafiq Ayyadi. During this time, Ayyadi was also suspected by Bosnian authorities of laundering money to fund terrorist activities. Following two lucrative years at Depozitna, the bank management suddenly fired Ayyadi.
6. Al-Qadi has spent his entire career intentionally surrounding himself with individuals who either participate in or financially support Islamic terrorism. He is firmly embedded in the Islamic terrorist financing community through his business investments as well as

his professional and personal relationships. Indeed, Al-Qadi openly admits that he knows Osama Bin Laden and has met with him on several occasions. According to a 2004 report by the Office of Foreign Assets Control (OFAC) a letter found in 2002 that was addressed to Osama bin Laden referenced Al-Qadi managing money for Bin Laden in the Sudan. The letter also referred to Al-Qadi as one of Bin Laden's former managers.

7. In cooperation with Talal M.M. Bradkook and Dr. Mohaman Ali Elgari, Al-Qadi incorporated Muwafaq in Delaware in 1992 and operated the charity until 1997. During that time Al-Qadi spent roughly 15-20 million dollars of his own money on the day to day operations of Muwafaq.
8. Al-Qadi states that there was little auditing performed by the foundation and that in several of the countries that Muwafaq had a presence, there "are no meaningful financial records available." Even in countries where there was a requirement that audits be filed, e.g. Pakistan, Al-Qadi can not confirm that the results of the audits were filed as required.
9. Using the Muwafaq Foundation, Al-Qadi joined with Defendant Khalid bin Mahfouz and his companies, the National Management Consultancy Center ("NMCC") and Defendant the National Commercial Bank ("NCB"), to create a path to funnel money to terrorist organizations.
10. The controlling arm of the Muwafaq network, Muwaffaq Limited (a/k/a Blessed Relief), was registered in the Channel Islands (Isle of Man) in 1991, but effectively run from Jeddah, Saudi Arabia. In fact, Al-Qadi, appointed director of Muwaffaq Ltd. in January 1992, provides the following address on official company documents:

PO Box 3555
Jeddah, Saudi Arabia

This address is also the address of the headquarters of Defendant the National Commercial Bank.

11. Since August 13, 1993, the four Muwafaq shareholders, Yassin al-Qadi, Omar Saleh Saeed Al-Amoudi, Abdul Ghani Abdullah Al-Kheiriji, and Talal Mohamed Badkook gave the same address in Jeddah: the address of the NMCC (PO BOX 214, Jeddah, Saudi Arabia).
12. The official registration files of the NMCC in the Isle of Man show that both Yassin al-Qadi and Mohamed Ali Al Gari created the company. On January 18, 1996 Mohamed Ali Al Gari was appointed NMCC director. At the same time, Yassin al-Qadi, director of Muwaffaq Ltd, is named co-executive director and main shareholder of NMCC.
13. NMCC holds an important position in the terrorism financing scheme set up between Muwaffaq Ltd and the National Commercial Bank - NMCC is the official Sharia Advisor for the National Commercial Bank:

“National Management Consultancy Center is the Shariah Advisor used by The National Commercial Bank, which reviews the Fund and assures that it is in compliance with the Islamic Shariah. The National Management Consultancy Center is headed by Dr. Mohamed Bin Ali Al-Garri”

14. In addition, Mohamed Ali Al Gari is also Defendant the NCB’s Sharia Board Advisor, an entity that has full authority over the distribution of Zakat funds to charities, acting as the NCB Zakat Committee. Finally, Mohamed Ali Al Gari is also member of the Muwafaq Foundation Council .
15. A bank audit conducted in 1998 revealed that over a 10 year period, \$74 million was funneled by this Zakat Committee to Defendant the International Islamic Relief Organization (IIRO), headed by Osama Bin Laden’s brother-in-law, Defendant Mohammed Jamal Khalifa. This charity was a major contributor to Osama Bin Laden’s operations. As stated by Vincent Cannistraro, former Chief of counterterrorism operations with the Central Intelligence Agency, at a hearing before the House of Representatives’ Committee on International Relations:

“Bin Laden used his personal fortune and continuing contributions from wealthy Islamic businessmen in Saudi and the Gulf to organize training camps in the Sudan for Islamic activists from every major Islamic country. These contributions, plus revenues from Islamic Charity fronts, such as the International Islamic Relief Organization, headed by Bin Laden’s brother-in-law, as well as numerous other charitable fronts, continue to fuel his group today.” [Direct donations were,] “received through those facilities to the Red Crescent Saudi Committee, International Islamic Relief Organization and Muwafaq Foundation.”

16. Similarly, another audit of the National Commercial Bank of Saudi Arabia revealed that \$3 million was pulled from the accounts of several wealthy Saudi businessmen and placed in Muwafaq’s account for Osama bin Laden.
17. Defendant Abdulrahman Bin Khalid Bin Mahfouz, a trustee of the Muwafaq Foundation, acknowledged in a recent interview with Forbes Magazine that Muwafaq Foundation was the “brainchild” of his father, Defendant Khalid bin Salim bin Mahfouz, “who funded it with as much as \$30 million”.
18. Abdulrahman Bin Khalid Bin Mahfouz became trustee of the Muwafaq Foundation (Sudan) while serving as member of the board and Vice Chairman of the Executive Management Committee of Defendant the NCB.
19. According to the official registry of Muwafaq Foundation, the members of the foundation council are: “...., Adur Rahman Bin Mahfouz, PO BOX 40030, Jeddah 21499, Rayeis Bin Mahfouz, PO BOX 40030, Jeddah 21499”. Both addresses correspond to the Salamah Hospital in Jeddah, which is owned by Abdul Rahman Bin Mahfouz.

Muwafaq is a sponsor of Al-Qaeda

20. The international intelligence and counter-terrorism community agreed on a unanimous condemnation of the Muwafaq foundation. The United States, Spain, France, Russia and the Netherlands described this charity as a cover for terrorism operations.
21. On July 31, 2003, Jonathan Winer, Former U.S. Deputy Assistant Secretary of State - International Law Enforcement, stated before the Senate Committee on Governmental Affairs:

...terrorist funding links include:

... "In Afghanistan, Albania, Bosnia, and Chechnya, direct support for Islamic resistance by Saudi charities such as Khalid bin Mahfouz's and Yasin al Qadi's Muwafaq or Blessed Relief and Benevolence International, as well as providing direct support to Hamas for terrorist activities"

22. According to a 1996 CIA report, the U.S. government knew that over one-third of the Islamic charities operating throughout the world were aiding known terrorist groups. Many of the charities detailed in the report are Saudi-sponsored and official Saudi government charities are implicated in supporting terrorism. According to the CIA information, Muwafaq has several offices around the world:

"Zagreb, Sarajevo, Split, Zenica, Dobrinja, Tirana, Konjic, and Tuzla. Plans to establish offices in Kakanj, Visoko, Travnik, Bogojno, Majlaj, Mostar, Jablanica, and Pazaric. Also operates in Tarcin and Sipovo and has other Bosnia-related offices in Siegen, Germany and Vienna, Austria. Registered in Jersey, United Kingdom but based in Khartoum, Sudan".

23. The CIA intelligence report adds that Muwafaq "has extremist connections with al Gama'at Al Islamiyya" and that "this organization helps fund the Egyptian Mujahedin battalion in Bosnia, according to a foreign intelligence service, and it also funds at least one training camp in Afghanistan".
24. This information is also confirmed by an internal and confidential document by the French UCLAT (French Counter-Terrorism Unit), an inter-ministerial unit in charge of counter-terrorism, dated December 27, 1996. Naming various NGOs related to terrorism, French authorities declare:

"The Muwafaq organization originates from the NGO Human Concern International, and employed Abderrazak Arroum, member of the Tunisian Islamic Front, arrested in 1995 in Germany".

25. In an internal memorandum dedicated to the “Arab-Afghans” and filed by the Spanish External Intelligence (UCIE - ministry of Interior) in the Spanish proceedings against members of the Spanish al Qaeda cell, Spanish police explain that:

“The Muwafaq foundation has been in contact through its offices in the countries cited with members of the Algerian GIA”.

26. Russia has also a deep knowledge of the terrorist activities of the Muwafaq foundation on its own soil and in the Caucasus Republics. The Counter-Terrorism Center for the Commonwealth and the Independent States, a special unit of the Russian Ministry of Defence, has gathered information related to terrorism support through radical Islamic NGOs for many years.
27. In classified documentation released in October 2003 and titled: “Financing from abroad of Terrorist groups on CIS Territory, including Chechnya Republic”, the Counter-terrorism center states that:

“the Muwaffaq Foundation was set up to give assistance to the families of Islamic terrorists (...). The headquarters are located in Jeddah, KSA. Head – Kadi, Yasin”.

28. In an interview with the magazine *al-Watan al-Arabi* in February 1996, Osama Bin Laden acknowledged that the Muwafaq office in Zegreb, Croatia was part of his network of relief organizations.
29. In 1993, Abdel Latif Saleh became partner of Yassin Al Qadi in Loks-Holl company, Medicare Sh.P.K and Karavan company. In 1994, he founded the Albanian branch of the Muwafaq Foundation. According to a Turkish intelligence report, Saleh was previously a member of the International Islamic Relief Organization—a know al-Qaeda front organization. In the 1998 “Returnees from Albania” Egyptian military trials, many of the Albanian extremists who testified identified Abdul Latif Saleh as a primary supporter of the extremist movement in Albania. In 1999, in cooperation with the U.S. government, he was arrested and deported by Albanian officials based on suspicion of his involvement with the Egyptian Islamic Jihad and al-Qaeda.
30. According to information available to the U.S. Government, Saleh founded and organized the Albanian Islamic Jihad (AIJ). As early as 1999, Al-Qadi was known to be an active supporter of, and fund raiser for, the AIJ. Muwafaq operated an Islamic school in Kukes until 1997, and several of the most radical students from the school were selected for membership in AIJ.
31. OFAC found numerous documents and correspondence between Al-Qadi and Saleh. Saleh was named as an official signatory for Karavan bank accounts. Saleh was the general manager of all Al-Qadi businesses in Albania. Saleh was the only person who had authorization to withdraw money directly from Al-Qadi’s bank account and transfer the funds whenever the situation required it.

32. Large wire transfers were seen through these documents coming into and out of Al-Qadi's personal accounts in Albania. As well, large cash withdrawals were paid to Saleh.
33. This support of Islamic radicalism related to the Muwafaq Foundation is also stated by the Defense and Foreign Affairs' Strategy policy in April/May 1998:

"...the key Sunni Islamist associations, such as Al-Haramain and Al Muwafaq, which concentrate on proselytising for Islam...Relying on donations from the Persian Gulf States and the possibility of High-paying jobs in these oil-states, these institutions represent an attraction for a wide segment of the young population. In reality, these associations are mainly used to recruit and to train Albanian Mujahedin. Their recruitment methods are those perfected in Afghanistan and Bosnia".

34. According to information available to the U.S. Government, Muwafaq transferred \$500,000 to terrorist organizations in the Balkans. Al-Qadi continued to finance various fundamentalist institutions and organizations in the Balkans after Muwafaq ceased operations there in 1996. The primary recipients of Al-Qadi's support in the Balkans were Defendant Al-Haramain, the Revival of Islamic Heritage Society, Al-waqf al-Islamiya and the World Association of Islamic Youth. The Revival of Islamic Heritage Society's Pakistan and Afghanistan offices were designated as SDGT's on January 9, 2002. The Bosnia-Herzegovina branch of the Al-Haramain Foundation was designated as an SDGT on March 11, 2002.
35. In 2001, according to information available to the U.S. Government, Al-Qadi acknowledged that the Khartoum office of Muwafaq had provided assistance to jihad activities in the Middle East and the Balkans.
36. According to a European intelligence service, Khamir Amer Ballayth, an associate of Osama Bin Laden, transferred between \$200,000 and \$250,000 to Muwafaq Foundation through a bank account at the Bin'Jaad establishment of the Faisal Bank in Peshawar.
37. According to a European Intelligence service: Mahmud Mehdi, an al-Qaeda member and associate of Ramzi Youssef (1993 World Trade Center bombings), was a member of Muwafaq. In addition Husam Tayeh, an Afghan fighter and suspected Hamas member, is also member of Muwafaq. According to the same source, Muwafaq Foundation opened a branch in Manila in 1994, associated with Mohammed Jamal Khalifa, the former head of IIRO.
38. Moreover, according to a foreign intelligence document, Muwafaq Foundation in Sudan provided capital to Animal Resources Bank Sudan, a bank owned by Osama Bin Laden. According to the same source Muwafaq Foundation financially supported a terrorist group founded by Osama Bin Laden, Makhtab Al Khidmat.

39. Muwafaq Foundation was also registered in Karlsruhe, Germany in 1995, but shortly thereafter moved to Munich, Germany. The German Police discovered that Muwafaq was actually a front for terrorist funding and material support for terrorists located in Bosnia.
40. According to the German Internal Intelligence Service (BFV), authorities in Saudi Arabia conducted an investigation of Defendant Khalid Bin Salim Bin Mahfouz (“Mahfouz”) in 1997 and discovered a financial conduit for terrorism between Defendant the National Commercial Bank and certain Islamic charities. One of these charities was Muwafaq, which maintained “institutional links [with] Osama Bin Laden’s network. Further investigation led to Mercy International, a front for the Muslim brotherhood, and the Qadi brothers: Yassin Abdullah Aziz al Qadi, a prominent Saudi businessman and terrorist financier; Issam Qadi, an alleged al Qaeda member working for Osama bin Laden; and Omar al Qadi, director of Mercy International in the United States. The three Qadi brothers control a number of charities and businesses used as fronts for terrorist financing. Among them is Muwafaq, which specializes in arms shipments to Bosnia. Chafiq bin Mohammed al Ayyadi (“Ayyadi”) was director of Muwafaq in Germany and received funds through numerous accounts connected to terrorist financing under the guise of Muwafaq:
- Ayyadi received DM286,000 at Muwafaq offices in Stuttgart, Germany on September 15, 1995 from Yassin al Qadi in Istanbul, Turkey
 - Ayyadi also opened two accounts (account numbers 90-196185 and 90-198177) with “Munich <Savings Fund> (Sparkasse)” in the name of Muwafaq
 - Ayyadi also opened an account at the Deutsche Bank in Karlsruhe
41. On October 12, 2002, the U.S. Treasury Department officially named Chafiq Ayadi as a Specially Designated Global Terrorist (SDGT) and ordered that his personal assets be frozen. A Treasury Department press release stated that Chafiq Ayadi is connected to the bin Laden financial network through the Muwafaq Foundation in Munich, Germany and described Muwafaq as an al Qaeda front that receives funding from wealthy Saudi businessmen who have been transferring millions of dollars to bin Laden through Muwafaq.